

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3390 - SB 3701**

March 10, 2012

**SUMMARY OF BILL:** Authorizes certain cities incorporated under the city-manager commission-charter that have not imposed a property tax to charge a fee for the construction and maintenance of municipal fire departments. Requires adoption of an ordinance by two-thirds vote to impose a fee. Requires the city to reduce the fee to reflect only the cost of maintenance once construction is complete.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue – Exceeds \$100,000/One-Time/Permissive  
Exceeds \$10,000/Recurring/Permissive**

**Increase Local Expenditures – Exceeds \$100,000/One-Time/Permissive  
Exceeds \$10,000/Recurring/Permissive**

**Assumptions:**

- This bill will apply to Lakeland, Tennessee.
- Lakeland adopts the required ordinance by two-thirds vote.
- The initial fee necessary to generate capital for construction, the reduced fee necessary for recurring maintenance, the total amount of one-time and recurring fee revenue required for the project, and the extent of one-time and recurring expenditures for the project are unknown.
- Any one-time increase in local revenue derived from fees will be offset by an equal increase in local expenditures for construction.
- After construction, the fee will be reduced to an amount such that recurring local revenue is equal to recurring local expenditures incurred for on-going maintenance.
- The one-time permissive increase in local revenue and the one-time permissive increase in local expenditures are reasonably estimated to exceed \$100,000.
- The recurring permissive increase in local revenue and the recurring permissive increase in local expenditures are reasonably estimated to exceed \$10,000.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jaw